

IRS COMMISSIONER EXPANDS TAXPAYER ADVOCATE'S AUTHORITY

WASHINGTON -- The Commissioner of Internal Revenue has put more strength behind the Taxpayer Advocate's recommendations to IRS functions -- a new authority to mandate that administrative or procedural changes requested by the Advocate be implemented. Previously, the Advocate could not order such actions to be taken.

"The Taxpayer Advocate is the voice of the people, and I want to ensure that IRS functions listen to that voice," said IRS Commissioner Charles O. Rossotti. "While our various operations are usually receptive to the Advocate's requests, giving the Advocate this authority to direct implementation will help to resolve any potential disagreements."

This new authority to issue a Taxpayer Advocate Directive (TAD) applies to changes recommended to improve operations or grant relief to groups of taxpayers, or to all taxpayers. It is similar to the way a Taxpayer Assistance Order grants relief to an individual taxpayer. The action must be needed to protect taxpayers' rights, prevent undue burden, ensure equitable treatment, or provide an essential service. A TAD will not be issued to interpret tax law. The only way to appeal a TAD will be for the Chief Officer of the function involved to go the IRS Deputy Commissioner.

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Generally, the Advocate will first issue a Proposed TAD to the chief of the responsible area, with a set response date. That chief may agree to the proposed action, submit a counterproposal, or explain why the action cannot take place. The Advocate may accept the response or work with the chief toward a solution. The Advocate can issue a TAD if not satisfied with the outcome.

For example, the Advocate might propose procedures that would give taxpayers more flexibility when making installment plan payments. But the function might object that the proposal would unnecessarily delay tax collections, since taxpayers could afford to pay more than the monthly installments called for under the proposed procedures. If they could not agree on a solution and the Advocate believed the procedures were needed to prevent undue burden on taxpayers, the Advocate could issue a TAD to make the function comply.

If the Taxpayer Advocate determines that a problem is immediate and has a significant negative impact on taxpayers, the Advocate can issue a TAD without first giving a proposed directive. The Deputy Commissioner will immediately review such an expedited TAD, and will meet with the Advocate and the responsible chief as soon as possible to resolve the problem.

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